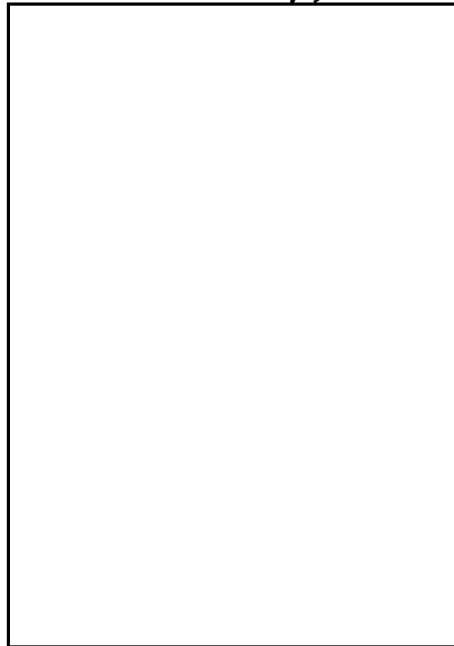


GOVERNMENT EMPLOYEES HEALTH ASSOCIATION, INC.
Meeting of the Board of Directors
14 September 1978

A special meeting of the Board of Directors of the Government Employees Health Association, Inc. was held on 14 September 1978 at 10:00 a.m. in Room 5E-62, Headquarters. Those present were:

Directors

F. W. M. Janney, Chairman



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Secretary

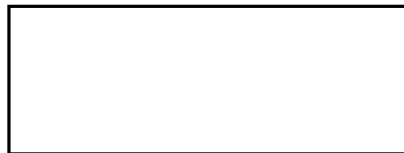
Medical Advisor

Benefits and Services Division
John B. Hurford, Vice President, BEA Associates, Inc.



Assistant Secretary
Insurance Branch
Recording Secretary

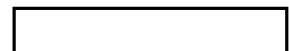
Absent were:



, Director
Director
Director (C)
Legal Advisor

The Chairman called the meeting to order and announced that the first order of business was the appointment of a nominating committee to provide names for the GEHA Board of Directors election to be held in January 1979. Messrs. [redacted]

[redacted] were appointed to the committee. Each committee member, [redacted], was requested to nominate three candidates. [redacted] identify two candidates.



25X1 As the second and primary order of business, the Chairman
welcomed Mr. John B. Hurford to the meeting. Mr. Hurford is
25X1 Vice President of BEA Associates, Inc., Manager of the GEHA
investment portfolio. Mr. Hurford gave the Board summary sheets
which provided a review of the GEHA portfolio. He discussed the
Board's investment objectives of stability/income and advised
members that as of 31 August 1978 the market value of the port-
folio was [redacted] Mr. Hurford also discussed the
generation of income from the portfolio. Board Members agreed
with [redacted] that investment income should be reinvested at
the earliest opportunity. Mr. Hurford explained the GEHA
portfolio cash reserves, U. S. Government bonds and common stocks.
He provided an extensive performance evaluation of GEHA's port-
folio with other major funds that have comparable objectives and
with funds with a wider spectrum of investment objectives.
Throughout his presentation Mr. Hurford answered questions from
Board Members.

Following a discussion of GEHA's cash and cash equivalent
holdings, it was decided Mr. Hurford could also invest these
holdings. This decision was based on Mr. Hurford's advice that
various portions of the portfolio are very liquid and can provide
GEHA with cash on short notice.

25X1 [redacted] advised Mr. Hurford that the Board would make
\$196,000 available to him for additional GEHA investment. These
monies represent the 1978 refund of premium from the UBLIC and
Contract Life insurance plans.

There was discussion of GEHA's objectives and whether they
represent a burden and secondly, in light of what Mr. Hurford
predicts for the future, should they be reconsidered? Considera-
tion was given to increasing the percentage of portfolio equities.
However, the Board decided not to alter the original objectives
or change the mix of equities and securities.

The meeting was adjourned at 10:40 a.m.

25X1 [redacted]